

No matter how you give it, employee feedback is imperative

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Ed Koch, mayor of New York City from 1978-1989, famously asked New Yorkers on city streets: “How’m I doin’?” While cynics saw his question as a ploy designed to boost his ego, most felt he genuinely wanted the feedback. And New Yorkers were more than happy to give it to him.

In the workplace, feedback has been institutionalized through the dreaded annual performance review. The process is dreaded by managers not only because of the paperwork, but also because they fret about how employees will react to the conversation. On the flip side, employees often dread it because they worry the manager is harboring information on something they’ve done wrong and is waiting for that annual discussion to spring it on them. Needless to say, both parties are often on edge walking into that conversation.

Because of the negative feelings often generated by the process, there has been much talk over the past few years about eliminating annual performance reviews. Indeed, companies like Deloitte, GE and Accenture have made news by announcing that they were doing so. In actuality, though, these companies haven’t eliminated performance evaluation; they are just approaching it very differently.

Many of the companies said to be “ditching” performance appraisals are, in reality, changing the process by using technology to provide ongoing, real-time feedback to employees. GE uses an app they call PD@GE (the PD stands for performance development), and managers and peers are encouraged to use the app to provide instant feedback. The feedback is also compiled into a year-end summary, in which the manager then sits down and discusses its contents with each respective employee. Performance appraisal isn’t eliminated in this case: It’s evolved.

GE’s approach addresses some of the concerns traditionally voiced about performance appraisals. One big complaint is that the process is all about the past, especially in situations with managers who aren’t good about providing feedback. Those managers avoid delivering negative feedback until they are forced to do so by the annual review process, then the employee is unpleasantly surprised by the discussion. (As I always teach my HR students, if an employee is surprised at an annual review, you haven’t been doing your job as a manager.)

The frustration on the part of the employee is understandable because the evaluation—and annual salary increase—is based on behaviors or actions he or she was never given the opportunity to fix. And it will take another year before any changes in behavior are rewarded.

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The flip side of that concern is also true—employees need positive feedback to reinforce and develop them—and perhaps, even to keep them from leaving. Early in my career, I worked for an “old school” manager who seemed to believe fear was the best performance motivator. When I finally sat down for my annual review with him, I was shocked to receive a glowing assessment.

Rather than feel rewarded, I actually felt angry. If I had known he thought I was doing a good job, I would have been more confident instead of dreading to go to work each day. A little positive feedback along the way would have made all the difference to me, and perhaps it would have kept me from leaving that job not long afterward.

Many managers become excited when they read headlines that promote dropping annual performance appraisals because they fail to read the fine print. It’s important to keep in mind the companies that are making news are almost all changing, rather than dropping, employee evaluations. Instead of an annual review, they are adopting quarterly, monthly or even weekly “check-ins” between the manager and employee.

If your managers think annual performance reviews are too time-consuming, how will they feel about weekly check-ins? Are you confident they will follow through on an ongoing basis? Or will the situation devolve to little feedback at all?

At least one study has shown that both the time and quality of manager conversations decline when the constraints of a formal process are removed. More important, it showed that employee engagement drops. Employee engagement affects productivity, turnover, attendance, customer satisfaction and even safety in the workplace, so a decline can be quite costly for the employer.

So what are the takeaways? If you are considering jettisoning your performance-appraisal process, you need to have a sustainable process to replace it in order to provide feedback that reinforces good performance and corrects any problems.

Or perhaps, rather than dropping the process, you might consider supplementing it with more frequent “check-ins.” Encouraging a culture of ongoing feedback can change the way both managers and employees feel about the process and, therefore, their work environment.